

CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

General Counsel

17 September 1992

Gerralyn Brill, Esq.
Acting United States Attorney
U.S. Department of Justice
Northern District of Georgia
75 Spring Street, S.W.
Atlanta, GA 30335

Dear Ms. Brill:

This letter confirms information this Agency previously provided to the Department of Justice concerning Banca Nazionale del Lavoro ("BNL") in response to its request dated 1 September 1992. The answers provided herein are taken verbatim from our previous response.

1. QUESTION: Was the CIA involved in any manner in the utilization of BNL-Atlanta for unauthorized funding to Iraq? If so, were any officers or employees of BNL-Atlanta or BNL-Rome aware of CIA involvement in these activities?

ANSWER: CIA was not involved in any manner in the utilization of BNL-Atlanta for unauthorized funding to Iraq.

2. QUESTION: Did the CIA have contemporaneous knowledge that Christopher Drogoul and other former officers and employees of BNL-Atlanta made unauthorized loans and extensions of credit to Iraqi government entities, exporters to Iraq, and others?

ANSWER: CIA had no contemporaneous knowledge that Christopher Drogoul and other former officers and employees of BNL-Atlanta made unauthorized loans and extensions of credit to Iraqi government entities, exporters to Iraq and others.

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3. QUESTION: Was the CIA aware prior to August 4, 1989 that BNL-Atlanta was making unauthorized loans and extensions of credit to Iraqi government entities, exporters to Iraq, and other persons and entities unrelated to Iraq?

ANSWER: CIA was not aware prior to August 4, 1989 that BNL-Atlanta was making unauthorized loans and extensions of credit to Iraqi government entities, exporters to Iraq, and other persons and entities unrelated to Iraq.

4. QUESTION: Did the CIA have contemporaneous knowledge that false information, documentation and reports were given to federal and state banking regulators, as well as authorities of the Italian government, in order to conceal the unauthorized funding?

ANSWER: CIA did not have contemporaneous knowledge that false information, documentation and reports were given to federal and state banking regulators, as well as authorities of the Italian government, in order to conceal the unauthorized funding.

5. QUESTION: Was the CIA aware prior to August 4, 1989 of any other illegal activities by BNL-Atlanta or BNL-Rome?

ANSWER: CIA was not aware prior to August 4, 1989 of any other illegal activities by BNL-Atlanta or BNL-Rome.

6. QUESTION: Did the CIA ever monitor BNL-Atlanta's financing of U.S. Government export guarantees to Iraq by the Department of Agriculture's Commodity Credit Corporation?

ANSWER: CIA did not monitor BNL-Atlanta's financing of U.S. Government export guarantees to Iraq by the Department of Agriculture's Commodity Credit Corporation.

7. QUESTION: Did the CIA assist, encourage, condone or acquiesce in, either by action or inference, any wrongdoing on the part of BNL-Atlanta or any of its officers or employees?

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ANSWER: CIA did not assist, encourage, condone or acquiesce in either by action or inference, any wrongdoing on the part of BNL-Atlanta or any of its officers or employees.

8. QUESTION: Does the CIA have any information that BNL-Rome was aware of the illegal activities engaged in by BNL-Atlanta? If so, when did the CIA acquire such knowledge?

ANSWER: CIA has publicly available information, acquired in the December, 1989 - January, 1990 time-frame, that BNL-Rome was aware of the illegal activities engaged in by BNL-Atlanta.

9. QUESTION: Did the CIA take any action, including withholding information, to influence or impede any existing or potential civil or criminal investigation or prosecution of BNL?

ANSWER: CIA did not take any action, including withholding information, to influence or impede any existing or potential civil or criminal investigation or prosecution of BNL.

10. QUESTION: Did the CIA use BNL for support of covert foreign intelligence operations? Did the CIA open accounts with the bank to facilitate acquisition of information concerning the bank's illegal activities? Was BNL management in Atlanta or Rome aware of CIA involvement in these activities?

ANSWER: CIA did not use BNL for support of covert foreign intelligence operations. CIA did not open accounts with the bank to facilitate acquisition of information concerning the bank's illegal activities.

If I can be of any further assistance, please call me at (703) 874-3202.

Sincerely,

David P. Holmes

David P. Holmes
Acting General Counsel